

# PROPERTY TAX LEGISLATION

Prior to 1977, counties in South Dakota were allowed to assess properties at a percentage of market value. That percentage varied from county to county. Since that time, a variety of bills have been passed that changed the state's property tax system. Here's a quick review:

## 1977

Counties required to assess property at market value.

County Commissioners given authority to establish taxable percent for Ag and Non-Ag property (SDCL 10-11-25).

Maximum taxable percentage of 60% (SDCL 10-6-33).

*Often, the taxable percentage was different for the two classes of property. Assessments were not changed often. The percentage of market value actually being taxed ranged anywhere from 30% of market value to 120% of market value.*

## 1989

**SB12 and SB15:** Major rewrite of property tax laws, removing taxable percentage; adjusting statutory levy limits; and establishing minimum requirements for assessments.

**SB121:** Governor Mickelson's property tax freeze legislation froze INDIVIDUAL tax bills for two years (pay 90 and pay 91) unless improvements were made to property.

*Taxes payable in 1992 - the freeze ended and assessments were brought up closer to market value.*

## 1995

**Governor Janklow's Property Tax Relief Legislation**

**Taxes payable in 1996** – All ag and owner-occupied property received 20% reduction in real property taxes. The State of South Dakota paid the 20% (\$83 million)

All taxing entities capped on what they could ask for from property owners; for taxes payable in 1996 – could ask for no more than the taxes payable in 1995, except for percentage increase due to growth. For payable in 1997 and each year thereafter, could increase due to growth and inflation.

## 1998

**Governor Janklow's Property Tax Relief Legislation**

**Taxes payable in 1999** - Expanding on the 1995 tax relief program, all ag and owner-occupied designated property received an additional 5% reduction in real property taxes in 1999. The State of South Dakota paid the 5% (\$20.4 million for a total of \$102 million to provide 25% property tax relief).

Limits placed on growth of local government budgets instituted in 1995 remain in place.

## 2000 to Present

**Governor Janklow's Property Tax Relief Legislation**

**Taxes payable in 2001** - This fulfills Governor Janklow's promise to citizens of South Dakota of lowering property taxes. Expanding on the 1998 tax relief program, all ag and owner-occupied property received an additional 5% reduction in real property taxes for a total of 30% reduction from the taxes payable in 1995. Each year the state supplies more than \$124 million to replace property taxes.

Limits placed on growth of local government budgets instituted in 1995 remain in place. These limits placed on local property tax increases saved tax payers about \$130 million in 2006.

## PROPERTY TAX AND SCHOOLS

	Maximum School Levies*	Cost/Student*
<b>Pay 1995</b>	14.40 (Ag) 24.00 (Non-Ag)	
<b>Pay 1996</b> (All AG and Owner-Occupied recieved 20% reduction on real property taxes payable in 1996)	14.40 (Ag) 24.00 (Non-Ag)	
<b>Pay 1997</b> (All property valuations equalized to 85% of market value)	5.75 (Ag) 9.20 (Owner-Occupied) 16.75 (Commercial/Other)	\$3,350.00/Student
<b>Pay 1998</b>	5.66 (Ag) 9.06 (Owner-Occupied) 16.49 (Commercial/Other)	\$3,440.45/Student
<b>Pay 1999</b>	4.73 (Ag) 7.61 (Owner-Occupied) 16.25 (Commercial/Other)	\$3,540.91/Student
<b>Pay 2000</b>	4.70 (Ag) 7.56 (Owner-Occupied) 16.15 (Commercial/Other)	\$3,604.65/Student
<b>Pay 2001</b>	3.33 (Ag) 5.36 (Owner-Occupied) 13.93 (Commercial/Other)	\$3,665.93/Student
<b>Pay 2002</b>	4.04 (Ag) 6.50 (Owner-Occupied) 13.93 (Commercial/Other)	\$3,775.91/Student
<b>Pay 2003</b>	3.74 (Ag) 6.02 (Owner-Occupied) 12.90 (Commercial/Other)	\$3,889.19/Student
<b>Pay 2004</b>	3.49 (Ag) 5.62 (Owner-Occupied) 12.04 (Commercial/Other)	\$3,967.88/Student
<b>Pay 2005</b>	3.32 (Ag) 5.34 (Owner-Occupied) 11.45 (Commercial/Other)	\$4,086.56/Student
<b>Pay 2006</b>	3.19 (Ag) 5.13 (Owner-Occupied) 11.00 (Commercial/Other)	\$4,237.72/Student
<b>Pay 2007</b>	3.03 (Ag) 4.76 (Owner-Occupied) 10.19 (Commercial/Other)	\$4,364.85/Student

\* Set annually by legislature